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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/006,728	07/29/2003	5946669	3250.010001	3043

7590

08/01/2005

Finnegan Henderson Farabow
Garrett & Dunner LLP
1300 I Street NW
Washington, DC 20005

RECEIVED

EXAMINER

ART UNIT PAPER NUMBER

AUG 04 2005

DATE MAILED: 08/01/2005

FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, LLP

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action in Ex Parte ReexaminationControl No.
90/006,728Patent Under Reexamination
5946669Examiner
Stefano KarmisArt Unit
3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

- a ☒ Responsive to the communication(s) filed on 11 July 2005. b ☒ This action is made FINAL.
c ☐ A statement under 37 CFR 1.530 has not been received from the patent owner.

(Two)

A shortened statutory period for response to this action is set to expire 2 month(s) from the mailing date of this letter. Failure to respond within the period for response will result in termination of the proceeding and issuance of an *ex parte* reexamination certificate in accordance with this action. 37 CFR 1.550(d). **EXTENSIONS OF TIME ARE GOVERNED BY 37 CFR 1.550(c).** If the period for response specified above is less than thirty (30) days, a response within the statutory minimum of thirty (30) days will be considered timely.

Part I THE FOLLOWING ATTACHMENT(S) ARE PART OF THIS ACTION:

- | | |
|--|---|
| 1. <input type="checkbox"/> Notice of References Cited by Examiner, PTO-892. | 3. <input type="checkbox"/> Interview Summary, PTO-474. |
| 2. <input type="checkbox"/> Information Disclosure Statement, PTO-1449. | 4. <input type="checkbox"/> _____. |

Part II SUMMARY OF ACTION

- 1a. ☒ Claims 1-48 are subject to reexamination.
1b. ☐ Claims _____ are not subject to reexamination.
2. ☐ Claims _____ have been canceled in the present reexamination proceeding.
3. ☐ Claims _____ are patentable and/or confirmed.
4. ☒ Claims 1-48 are rejected.
5. ☐ Claims _____ are objected to.
6. ☐ The drawings, filed on _____ are acceptable.
7. ☐ The proposed drawing correction, filed on _____ has been (7a) ☐ approved (7b) ☐ disapproved.
8. ☐ Acknowledgment is made of the priority claim under 35 U.S.C. § 119(a)-(d) or (f).
 a) ☐ All b) ☐ Some* c) ☐ None of the certified copies have
 1 ☐ been received.
 2 ☐ not been received.
 3 ☐ been filed in Application No. _____.
 4 ☐ been filed in reexamination Control No. _____.
 5 ☐ been received by the International Bureau in PCT application No. _____.
 * See the attached detailed Office action for a list of the certified copies not received.
9. ☐ Since the proceeding appears to be in condition for issuance of an *ex parte* reexamination certificate except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte* Quayle, 1935 C.D. 11, 453 O.G. 213.
10. ☐ Other: _____

cc: Requester (if third party requester)

DETAILED ACTION

1. The following communication is in response to Patent owner's amendment, filed 11 July 2005.

Status of Claims

2. Claims 1, 8, 10, 17, 19, 21, 32, 33, 34, 36, 47 and 48 are currently amended. Claims 1-48 are pending.

Response to Amendment

3. The declaration filed on 11 July 2005 under 37 CFR 1.131 has been considered but is ineffective to overcome the Remington et al. (U.S. Patent 6,070,150) reference.
4. The evidence submitted is insufficient to establish a conception of the invention prior to the effective date of the Remington et al. reference. While conception is the mental part of the inventive act, it must be capable of proof, such as by demonstrative evidence or by a complete disclosure to another. Conception is more than a vague idea of how to solve a problem. The requisite means themselves and their interaction must also be comprehended. See *Mergenthaler v. Scudder*, 1897 C.D. 724, 81 O.G. 1417 (D.C. Cir. 1897). Mr. Polk relied upon Exhibit 1 and Exhibit 2 to show conception. Specifically, Mr. Polk references "Formatted 521 Records" in Exhibit 2 to account for payment information including debit transactions saying that "one of

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ordinary skill in this field would have known at the time of this invention that 521 records allow for payments using either credit transactions or debit transactions.” However, there is no evidence to support the claim that one of ordinary skill in the art would know that Formatted 521 records allow for debit and credit transactions. Therefore, without proper evidence to support the assertion, conception has not been established.

Further, there is no support in Exhibit 2 that the accumulator agency transmits the disbursement to the state. The Exhibit appears to teach that information only flows from the state to the accumulator agency, and not vice-versa. Therefore conception has not been established and the 1.131 declaration is ineffective.

5. The evidence submitted is insufficient to establish diligence from a date prior to the date of reduction to practice of the Remington et al. reference to either a constructive reduction to practice or an actual reduction to practice. The period during which diligence is required must be accounted for by either affirmative acts or acceptable excuses. *Rebstock v. Flouret*, 191 USPQ 342, 345 (Bd. Pat. Inter. 1975); *Rieser v. Williams*, 225 F.2d 419, 423, 118 USPQ 96, 100 (CCPA 1958). In the submitted declaration, there are periods of time where diligence is lacking. Specifically, there is no statement regarding time periods from June 27 when Mr. Lavenue left a message to discuss the invention with Mr. Polk and July 1 when Mr. Polk began travel for other work obligations. Further, there is inactivity after Mr. Polk returned from travel and after the July 4 holiday weekend: Mr. Polk recorded on July 8 to return the call from June 27 as a “to-be-done-today” task, however the call was not returned until July 14, with unexplained inactivity between. Continuing, there is lack of affirmative acts or acceptable excuses between July 21 and

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August 5 as well as August 9, after Mr. Polk was in New York, through August 13 when Mr. Polk again addressed the invention. Therefore diligence is lacking for at least the reasons stated above. The entire period during which diligence is required must be accounted for and a 2-day period lacking activity has been held to be fatal when accounting for the period in which diligence is required. *In re Mulder*, 716 F. 2d 1542, 1545, 219 USPQ 189, 198 (Fed. Cir. 1983)(37 CFR 1.131 issue). Therefore diligence is lacking and the declaration under 37 C.F.R. 1.131 is ineffective.

Response to Arguments

6. Patent owner's arguments, see section B of Remarks, filed 11 July 2005, with respect to the 35 U.S.C. 102 rejection of claims 1-48 over Washington State Electronic Funds Transfer Project, Final Report ("Washington State Reference") have been fully considered and are persuasive. The amendment submitted by the Applicant was sufficient to distinguish claims 1-48 from the Washington State Reference.

7. Patent owner's arguments, see section C of Remarks, filed 11 July 2005 with respect to the 35 U.S.C. 103 rejection of claims 1-48 over Washington State Electronic Funds Transfer Project, Final Report ("Washington State Reference") in view of Remington et al. have been fully considered but they are not persuasive. Specifically, patent owner relied upon a declaration under 37 C.F.R. 1.131 which is considered ineffective as stated above. No other arguments regarding the teachings of Remington et al. were submitted. Therefore, the rejections of claims

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1-48 over Washing State Reference in view of Remington et al. stand rejected as stated in paragraph 5 of the previous office action, mailed 11 May 2005.

Claim Rejections - 35 USC § 103

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

10. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

11. Claims 1-48 are rejected under 35 U.S.C. 103(a) as being unpatentable over Washington State Electronic Funds Transfer Project, Final Report ("Washington State Reference") in view of Remington et al. U.S. Patent 6,070,150.

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Claims 1-48 are rejected under 35 U.S.C. 103(a) as being unpatentable over Washington State Electronic Funds Transfer Project, Final Report ("Washington State Reference") in view of Remington et al. U.S. Patent 6,070,150 as stated in paragraph 5 of the previous office action. Claim 1 has been amended to include that the accumulator agency, the bank and the state are separate entities. As stated in the previous office action, Remington et al. discloses an accumulator agency (element 56) (Figure 2; column 3, lines 18-23). It would have been obvious to one with ordinary skill in the art to modify the payment transfer teachings of the Washington State Reference and include an accumulator agency being a function performed outside and apart of the claimed state or bank because Remington et al. teaches this as an option for payment transfers (column 4, lines 3-15).

Conclusion

12. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event,

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however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Extensions of time under 37 CFR 1.136(a) will not be permitted in these proceedings because the provisions of 37 CFR 1.136 apply only to "an applicant" and not to parties in a reexamination proceeding. Additionally, 35 U.S.C. 305 requires that reexamination proceedings "will be conducted with special dispatch" (37 CFR 1.550(a)). Extension of time in *ex parte* reexamination proceedings are provided for in 37 CFR 1.550(c).

The patent owner is reminded of the continuing responsibility under 37 CFR 1.565(a) to apprise the Office of any litigation activity, or other prior or concurrent proceeding, involving Patent No. 5,946,669 throughout the course of this reexamination proceeding. The third party requester is also reminded of the ability to similarly appraise the Office of any such activity or proceeding throughout the course of this reexamination proceeding. See MPEP §§ 2207, 2282 and 2286.

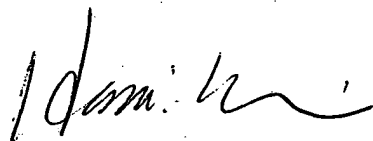
Any inquiry concerning this communication or earlier communications from the examiner should be directed to Stefano Karmis whose telephone number is (571) 272-6744. The examiner can normally be reached on M-F: 8-5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (571) 272-6747. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Respectfully Submitted
Stefano Karmis
22 July 2005



HANI M. KAZIMI
PRIMARY EXAMINER
Conferee
Hani Kazimi
Primary Examiner
Art Unit 3624



VINCENT MILLIN
SUPERVISORY PATENT EXAMINER
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Conferee
Vincent Millin
Supervisory Examiner
Art Unit 3624

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Reexamination of:)	
)	
U.S. Patent No. 5,946,669)	Group Art Unit: 3624
)	
Issue Date: August 31, 1999)	Examiner: Stefano Karmis
)	
Reexam Control No.: 90/006,728)	Confirmation No. 3043
)	
Inventor: John D. POLK)	
)	
Reexam Filed: July 29, 2003)	
)	
For: Method and Apparatus for Payment)	
Processing Using Debit-Based)	
Electronic Funds Transfer and)	
Disbursement Processing Using)	
Addendum-Based Electronic Data)	
Interchange)	

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

RESPONSE TO FINAL OFFICE ACTION AND
PATENT OWNER'S STATEMENT OF INTERVIEW

In reply to the Final Office Action mailed on August 1, 2005, the period for response to which extends until Monday, October 3, 2005 (because October 1, 2005 is a Saturday and October 2, 2005 is a Sunday), the patent owner hereby submits this Response to the Final Office Action and a Patent Owner's Statement of Interview.

This paper is submitted in accordance with 37 C.F.R. §§ 1.116 and 1.560.

Furthermore, attachments to this paper include a signed Supplemental Declaration of John Polk Under 37 C.F.R. § 1.131 and accompanying exhibits 69-72.

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I. Statement of Interview

Following the Final Office Action of August 1, 2005, the patent owner's representative held an interview at the U.S. Patent and Trademark Office with Examiner Stefano Karmis on September 8, 2005. As set forth in 37 C.F.R. § 1.560 and explained in M.P.E.P. § 2281, what follows is a complete written statement of reasons presented in the interview as warranting favorable action. As required, this statement is filed as a separate part of a response to an Office Action outstanding at the time of the interview.

Although the interview was scheduled to include all three reexamination conferees, Supervisory Primary Examiner Vincent Millin and Primary Examiner Hani Kazimi were unable to attend at the last minute. Examiner Karmis was kind enough to hold the interview as scheduled and then follow up with the other conferees to convey the content of the interview and obtain agreement on all issues (as described below).

In the Final Office Action, the Office maintained section 103(a) rejections of claims 1-48 over the Washington state reference in view of the Remington patent. In particular, the Office raised six questions regarding the evidence submitted by the patent owner to remove the Remington patent as prior art to the patent under reexamination. As an agenda for the interview, the patent owner's representative addressed each of the six questions raised in the Final Office Action regarding the evidence submitted to remove the Remington patent as prior art to the patent under reexamination. In addition, during the interview, the patent owner's representative stated the intention to file a supplemental declaration of the inventor to address each of

the six questions and to present further evidence on the issues of conception and diligence.

From the Final Office Action, questions 1 and 2 related to conception, i.e., whether the patent owner had established that conception of the invention occurred prior to October 18, 1996, the earliest effective filing date of the Remington patent.

For question 1, the Office had a question regarding the evidence submitted to establish conception, particularly the inventor's statement that one skilled in the art would have known that Formatted 521 records allow for debit and credit transactions. At the interview, the patent owner's representative presented a Draft Technical Report, version 3, dated March 1, 1990, published by the Government Subcommittee of the Accredited Standards Committee (ASC) X12. This report confirmed that Formatted 521 records allow for debit and credit transactions, and the Examiner agreed. This "Draft Technical Report" is filed herewith as Exhibit 69 to the Polk supplemental declaration.

For question 2, the Office had questioned whether Exhibit 2 disclosed the conception of an accumulator agency that transmits disbursements to a state. At the interview, the patent owner's representative explained that conception was based on both Exhibits 1 and 2 and that these exhibits together disclosed the conception of an accumulator agency that transmits disbursements to a state, and the Examiner agreed.

Following the discussion of questions 1 and 2, the Examiner thus then agreed that the patent owner has established that conception of the present invention occurred prior to October 18, 1996, the earliest effective filing date of the Remington patent.

From the Final Office Action, questions 3, 4, 5, and 6 related to diligence, i.e., whether the patent owner had established diligence for the entire period from a date prior to October 18, 1996 through the filing date of the application that matured into this patent.

For questions 3, 4, 5, and 6, the Office had questioned the sufficiency of the evidence submitted by the patent owner regarding the evidence of diligence during certain time periods, as listed on pages 3-4 of the Final Office Action. At the interview, the patent owner's representative fully addressed questions 3, 4, 5, and 6, describing the diligence that occurred during each day of the time periods listed on pages 3-4 of the Final Office Action, including presenting additional pages from the inventor's day-timers to account for some of the time periods, and the Examiner agreed. The additional pages are filed as Exhibits 70-72 to the Polk supplemental declaration.

Following the discussion of questions 3, 4, 5, and 6, the Examiner agreed that each of the time periods questioned by the Office had been sufficiently accounted for and thus that diligence had been shown for the entire period from a date prior to October 18, 1996 through the filing date of the application that matured into this patent.

Finally, during the interview, the patent owner's representative explained that the patent owner was also fully prepared to present arguments that claims 1-48 are not anticipated, nor rendered obvious, by the Remington patent alone or in combination with any other reference. However, because the Examiner agreed that the additional arguments and evidence had removed the Remington patent as prior art, the Examiner agreed that there was no need for the patent owner to present such arguments.

Therefore, at the interview, agreement was reached with the Examiner. Specifically, the Examiner agreed that the additional evidence and arguments presented adequately addressed all six of the questions raised in the Final Office Action, and, together with the evidence previously submitted, would establish that conception of the present invention occurred prior to October 18, 1996 and that reasonable diligence was exercised from a date prior to October 18, 1996 through the filing date of the application that matured into this patent. However, because the other two reexamination conferees were not at the interview, the Examiner explained that he would need to present the new arguments and evidence to the other two reexamination conferees to obtain final agreement. The Examiner stated that he would call the patent owner's representative the following week to indicate whether final agreement had been reached among the other conferees. The following week, the Examiner called and confirmed that the other conferees had agreed with the Examiner's conclusions and that final agreement had been reached. Accordingly, the Examiner asked the patent owner representative to prepare and submit this interview statement to commemorate the final agreement.¹

¹ In the unlikely event that there were any remaining questions by the Office after the filing of this response and of the supplemental inventor's declaration, the Examiner also agreed that a subsequent interview would be provided with all of the conferees.

II. Remarks

In the previous Office Action in this reexamination, mailed on May 11, 2005, the Office had rejected claims 1-48 under 35 U.S.C. § 102(b) as being anticipated by *Washington State Electronic Funds Transfer Project, Final Report* (hereafter, "the Washington state reference"). The Office had also rejected claims 1-48 under 35 U.S.C. § 103(a) as being obvious over the Washington state reference in view of Remington et al., U.S. Patent No. 6,070,150 (hereafter, "the Remington patent").

In a Response to that Office Action, as filed on July 11, 2005, the patent owner proposed amending claims 1, 8, 10, 17, 19, 21, 32-34, 36, 47, and 48 to overcome the rejections over the Washington state reference. The patent owner also submitted evidence to show that the Remington patent cannot anticipate any of the patent claims, nor render any of them obvious, alone or in combination, at least because the Remington patent does not qualify as prior art to the patent under reexamination.

In the Final Office Action, mailed on August 1, 2005, the Office stated that "[t]he amendment submitted by the Applicant was sufficient to distinguish claims 1-48 from the Washington State Reference," i.e., *Washington State Electronic Funds Transfer Project, Final Report*. Final Office Action, p. 4. However, the Office raised six specific questions regarding the evidence submitted to show that the Remington patent is not prior art, and therefore, the Office maintained the 103 rejections of claims 1-48.

In order to respond to the six questions raised by the Office in the Final Office Action, the patent owner submits this RESPONSE TO FINAL OFFICE ACTION AND PATENT OWNER'S STATEMENT OF INTERVIEW together with a Supplemental

Declaration of John Polk and accompanying exhibits. This additional evidence is necessary to respond to questions posed by the Office for the first time in the Final Office Action and may, therefore, be admitted pursuant to 37 C.F.R. § 1.116(e).

A. Summary of Six Questions Raised by the Office in the Final Office Action

In the Response to Office Action and Patent Owner's Statement of Interview, filed July 11, 2005, the patent owner submitted declarations to establish that conception of the present invention occurred prior to October 18, 1996, the filing date of the Remington patent. In addition, these declarations established that reasonable diligence was exercised by the inventor as well as the attorneys preparing the application from a date prior to October 18, 1996 through September 30, 1997, the filing date of U.S. patent application No. 08/941,187, which matured into the patent now under reexamination.

However, in the Final Office Action, the Office stated that "[t]he declaration filed on 11 July 2005 under 37 C.F.R. 1.131 has been considered but is ineffective to overcome the Remington [patent]." Final Office Action, p. 2. In particular, the Office raised two questions regarding the evidence submitted to establish conception, and the Office raised four questions regarding the evidence submitted to establish diligence.

Regarding the two questions on conception, the Office alleged the following:

1. "there is no evidence to support the claim that one of ordinary skill in the art would know that Formatted 521 records allow for debit and credit transactions;" and
2. "there is no support in Exhibit 2 that the accumulator agency transmits the disbursement to the state."

Final Office Action, p. 3. Regarding the two questions on diligence, the Office further alleged the following:

3. "there is no statement regarding time periods from June 27 when Mr. Lavenue left a message to discuss the invention with Mr. Polk and July 1 when Mr. Polk began travel for other work obligations";
4. "there is inactivity after Mr. Polk returned from travel and after the July 4 holiday weekend: Mr. Polk recorded on July 8 to return the call from June 27 as a "to-be-done-today" task, however the call was not returned until July 14, with unexplained inactivity between";
5. "there is lack of affirmative acts or acceptable excuses between July 21 and August 5"; and
6. "there is a lack of affirmative acts or acceptable excuses [from] August 9, after Mr. Polk was in New York, through August 13 when Mr. Polk again addressed the invention."

Final Office Action, pp. 3-4. The Office invited the patent owner to address these six issues, or six questions.

In response to these allegations, and as further evidence of the conception of the claimed invention and the diligence that was exercised, the patent owner submits herewith a Supplemental Declaration under 37 C.F.R. § 1.131, executed by Mr. John Polk ("the Polk supplemental declaration"), the named inventor of the claimed subject matter. The Polk supplemental declaration refers to exhibits 1-68, which were filed with the original Polk declaration on July 11, 2005, and exhibits 69-72, filed herewith.

As the Examiner agreed during the September 8, 2005 interview, and as the other two reexamination conferees subsequently agreed, the Polk supplemental declaration and the accompanying exhibits adequately address all six of the questions raised in the Final Office Action, and, together with the evidence previously submitted, establish that conception of the present invention occurred prior to October 18, 1996,

and that reasonable diligence was exercised from a date prior to October 18, 1996 through the filing date of the application that matured into this patent.

The patent owner will now specifically address each of the six questions.

B. The Two Questions regarding Evidence of Conception

1. Question 1: Formatted 521 records

In the Final Office Action, the Office alleges that "there is no evidence to support the claim that one of ordinary skill in the art would know that Formatted 521 records allow for debit and credit transactions." Final Office Action, p. 3. The patent owner respectfully disagrees. In the initial Polk declaration, the inventor explained:

The reference to use of the "Formatted 521 Records" by the accumulator agency clearly demonstrates two things: (1) use of a debit transaction (not a credit transaction) and (2) processing of the debit transaction to a bank. One of ordinary skill in this field would have known at the time of this invention that 521 records allow for payments using either credit transactions or debit transactions.

Polk Declaration, ¶ 16. The Office incorrectly takes the position that these statements in the inventor's declaration are not "evidence," but that position is erroneous. As explained in In re Soni, 54 F.3d 746, 750, 34 U.S.P.Q.2d 1684, 1688 (Fed. Cir. 1995), the Federal Circuit has held that an inventor's statements in a declaration constitute evidence. Furthermore, the Federal Circuit also held that once an issue of fact has been "substantially demonstrated," and when an inventor provides a statement in support of the issue of fact in a declaration, "this should suffice ... in the absence of evidence to the contrary." Id. Here, the inventor has explained that: "One of ordinary skill in this field would have known at the time of this invention that 521 records allow for payments using either credit transactions or debit transactions." Polk Declaration, ¶ 16.

The Office improperly alleges that there is no evidence to support this statement, but the inventor's declaration is evidence. Furthermore, the Office has not provided any evidence to rebut the inventor's statement. Accordingly, "in the absence of evidence to the contrary," the inventor's declaration (and the statements therein) must be accepted by the Office. Therefore, because there is no evidence to the contrary here, the conclusion in the Final Office Action that there is insufficient evidence to establish conception based on this issue of fact is improper and must be withdrawn.

Nonetheless, as further evidence of the fact that one of ordinary skill in the art would have known at the time of the invention that Formatted 521 records allow for both debit and credit transactions, the Polk supplemental declaration includes as an exhibit a Draft Technical Report, version 3, dated March 1, 1990, published by the Government Subcommittee of the Accredited Standards Committee (ASC) X12. Polk Supplemental Declaration, ¶ 8; Exhibit 69. As the inventor explains, the "Income or Asset Offset Transaction Set (521) for use within the context of and [sic, an] Electronic Data Interchange (EDI) environment" in the Draft Technical Report of the ASC X12G is what he referred to as "Formatted 521 records." Id., ¶ 9. This Formatted 521 record (or 521 transaction set) is described as including a segment called "BPR - Beginning Segment for Payment Order/Remittance Advice" that includes a data element called "BPR03," which is described as a "Credit/Debit Flag Code," i.e., a "[c]ode indicating whether the amount is a debit or credit." Id., ¶ 11. As the inventor correctly states, "this code shows that the Formatted 521 records clearly indicate that debit and credit transactions may be used by this format." Id. Accordingly, this report clearly provides additional evidence

that one of ordinary skill in the art would know that Formatted 521 records allow for debit and credit transactions, which the Examiner and conferees have acknowledged.

Thus, as for question 1, the Office has agreed pursuant to the interview that the patent owner has established that conception of the present invention occurred prior to October 18, 1996, the earliest effective filing date of the Remington patent.

2. Question 2: Accumulator Agency Transmits Disbursements to a State

In the Final Office Action, the Office alleges that "there is no support in Exhibit 2 that the accumulator agency transmits the disbursement to the state." Final Office Action, p. 3. The patent owner respectfully disagrees. In the initial Polk declaration, the inventor specifically addressed this issue, and as discussed above, the inventor's statements in his initial declaration constitute evidence. In particular, the inventor stated that, "based on Exhibits 1 and 2, I believe that one of ordinary skill in this field would understand Exhibits 1 and 2 to disclose at least the following features: (1) initiating by an accumulator agency a payment through a bank as a debit transaction and/or (2) transmitting by the accumulator agency the disbursement to a state as a first addendum transaction." Polk Declaration, § 20. The Office initially did not fully consider the inventor's statements or Exhibit 1, despite the fact the inventor had stated that "Exhibits 1 and 2 depict aspects of my invention of an accumulator agency for electronically processing wage assignments...." Polk Declaration, § 12 (emphasis added).

Nonetheless, as further explanation of the fact that the accumulator agency transmits the disbursement to the state, in the attached Polk supplemental declaration the inventor provides further explanation of the contents of Exhibits 1 and 2, which

together show the aspects of the invention that were questioned by the Office. Polk Supplemental Declaration ¶¶ 14-15. Indeed, a reading of *both* Exhibit 1 and Exhibit 2 together clearly shows that the accumulator agency transmits the disbursement to the state, at least because that is part of the solution of Exhibit 2 to the problem defined in Exhibit 1 (and it is undisputed that Exhibit 1 shows remitting disbursement information to multiple states). *Id.*, at ¶¶ 17-19. Furthermore, as also explained in the Polk supplemental declaration, because Exhibit 2 refers to a closed loop operation and the use of the Formatted 521 records for routing “electronic payment transactions,” Exhibit 2 teaches that disbursement information flows from the accumulator agency to the state, specifically disbursement information about a payment from an employer. *Id.*, at ¶¶ 22-25. The Polk supplemental declaration fully describes both of these aspects of the invention, as related to Exhibits 1 and 2. Thus, Exhibit 1 and Exhibit 2 together clearly show that the accumulator agency transmits the disbursement to the state, which the Examiner and conferees have acknowledged.

Thus, as for question 2, the Office has further agreed pursuant to the interview that the patent owner has established that conception of the present invention occurred prior to October 18, 1996, the earliest effective filing date of the Remington patent.

C. The Four Questions regarding the Evidence of Diligence

In the Final Office Action, the Office raised four questions regarding the evidence submitted by the patent owner demonstrating diligence during the time period from a date prior to October 18, 1996 through the filing date of the application that matured into this patent. The Office noted that “[t]he entire period during which diligence is required

must be accounted for and a 2-day period lacking activity has been held to be fatal when accounting for the period in which diligence is required." Final Office Action, p. 4. The Office thus requires a showing of "affirmative acts of acceptable excuses." *Id.* at p. 3.

Indeed, "[t]he law regarding diligence is settled. The evidence must show that the alleged earlier inventor was diligent throughout the entire critical period." Monsanto Co. v. Mycogen Plant Science, Inc., 261 F.3d 1356, 1369, 59 U.S.P.Q.2d 1930, 1938 (Fed. Cir. 2001); Fitzgerald v. Arbib, 268 F.2d 763, 766, 122 U.S.P.Q. 530, 532 (C.C.P.A. 1959); Rieser v. Williams, 255 F.2d 419, 424, 118 U.S.P.Q. 96, 100-01 (C.C.P.A. 1958); Wilson v. Sherts, 81 F.2d 755, 762, 28 U.S.P.Q. 379, 386 (C.C.P.A. 1936). However, there need not necessarily be evidence of activity on every single day (or even every 2-day period) if a satisfactory explanation is evidenced. Monsanto, 261 F.3d at 1367, 59 U.S.P.Q.2d at 1368 ("Proof of reasonable diligence, however, does not require a party to work constantly on the invention or to drop all other work."); Rey-Bellet v. Engelhardt, 493 F.2d 1380, 1389, 181 U.S.P.Q. 453, 459 (C.C.P.A. 1974) (finding diligence despite approximately a three month delay in testing because the delay was explained by "a shortage of monkeys and a limited ability to house them"); Fitzgerald, 268 F.2d at 766, 122 U.S.P.Q. at 532 (implicitly allowing for inactivity but finding that the inactivity was not adequately explained); Jones v. Evans, 46 F.2d 197, 202, 8 U.S.P.Q. 240, 245 (C.C.P.A. 1931) (finding diligence despite a "possible interval from April 16th to early in July" in which it did not "affirmatively appear that any steps were being taken" but during which some activity was ongoing).

Nonetheless, although the patent owner disputes the extremely narrow requirement of diligence suggested by the Office, the patent owner has satisfied the requirement of showing diligence by providing affirmative acts of acceptable excuses.

1. Question 3: June 27 - July 1, 1997

The Final Office Action states that, "there is no statement regarding time periods from June 27 when Mr. Lavenue left a message to discuss the invention with Mr. Polk and July 1 when Mr. Polk began travel for other work obligations." Final Office Action, p. 3. This is incorrect because Mr. Polk's initial declaration discussed this time period. Polk Declaration, ¶ 46. Furthermore, paragraphs 28-30 of the Polk supplemental declaration also account for each day during this time period, summarized as follows:

June 27: Polk Supplemental Declaration, ¶ 29; Exhibit 39.

June 28-29: Polk Supplemental Declaration, ¶ 29; Weekend.

June 30: Polk Supplemental Declaration, ¶ 29; Exhibit 43.

July 1: Polk Supplemental Declaration, ¶ 29; Exhibit 44.

As shown in this summary, on July 27, Mr. Lavenue left a message for Mr. Polk regarding the patent application. Polk Supplemental Declaration, ¶ 29; Exhibit 39. The following two days, or June 28-29, were the weekend. On the following business day, or June 30, 1997, Mr. Polk recorded "review patent information" in the action list of his day-timer. Polk Supplemental Declaration, ¶ 29; Exhibit 43. Thus, according to Mr. Polk, because he recorded the call from Mr. Lavenue in his day-timer, and he also noted the item as an action item in his day-timer, he was working on the matter on June 30. However, he did not complete the task on June 30, and carried the task forward to the next day, July 1, 1997. Polk Supplemental Declaration, ¶ 29; Exhibit 44. Thus,

because Mr. Polk had also recorded the item as an action item in his day-timer on July 1, he was again actively working on the matter. Further, as shown in the day-timer, Mr. Polk was only in the office for half a day on July 1, before an afternoon flight to Phoenix for other business, as noted on his appointment calendar. *Id.*

Accordingly, as agreed with the Examiner during the September 8, 2005 interview, and as the other two reexamination conferees subsequently agreed, the Polk supplemental declaration and exhibits, together with evidence previously submitted, establish reasonable diligence during the time period of June 27 - July 1, 1997.

2. Question 4: July 8 - 14, 1997

The Final Office Action states that "there is inactivity after Mr. Polk returned from travel and after the July 4 holiday weekend: Mr. Polk recorded on July 8 to return the call from June 27 as a 'to-be-done-today' task, however the call was not returned until July 14, with unexplained inactivity between." Final Office Action, p. 3. This is incorrect because Mr. Polk's initial declaration discussed this time period. Polk Declaration ¶ 47. Furthermore, although the initial Polk declaration in fact addressed this time period (see, e.g., ¶ 47), paragraphs 31-37 of the Polk supplemental declaration provide yet additional detail about each day during this time period, summarized as follows:

July 8: Polk Supplemental Declaration, ¶¶ 32-33; Exhibits 47-48.

July 9: Polk Supplemental Declaration, ¶ 34; Exhibit 47.

July 10-11: Polk Supplemental Declaration, ¶ 34; Exhibit 47.

July 12-13: Polk Supplemental Declaration, ¶ 34; Exhibit 47; Weekend.

July 14: Polk Supplemental Declaration, ¶¶ 35-36; Exhibit 49.

As shown in this summary, on July 8, Mr. Polk recorded review "patent information" as task 10 on his action list in his day-timer. Polk Supplemental Declaration, ¶ 32; Exhibit 48. Because Mr. Polk recorded this review of patent information as an action item in his day-timer, he was actively working on the matter on July 8. Id. Furthermore, on July 8, 1997, Mr. Polk specifically worked on an aspect of the invention during a meeting with a colleague regarding the development of the Formatted 521 record set, which was used by the accumulator/routing functions of the accumulator agency described in the patent application that matured into this patent. Id. at ¶ 33; Exhibits 47-48. From July 9-11, Mr. Polk was on vacation, and July 12-13 was a weekend. Polk Supplemental Declaration, ¶ 34; Exhibit 47. On the next business day, July 14, 1997, Mr. Polk completed the task of reviewing the patent information and returned Mr. Lavenue's telephone call. Id. at ¶ 35; Exhibit 49.

Accordingly, as agreed with the Examiner during the September 8, 2005 interview, and as the other two reexamination conferees subsequently agreed, the Polk supplemental declaration and exhibits, together with evidence previously submitted, establish reasonable diligence during the time period of July 8 - 14, 1997.

3. Question 5: July 21 - August 5, 1997

The Final Office Action further states that "there is lack of affirmative acts or acceptable excuses between July 21 and August 5." Final Office Action, pp. 3-4. This is incorrect because Mr. Polk's initial declaration discussed this time period. Polk Declaration, ¶¶ 47-49. Furthermore, paragraphs 28-30 of the Polk supplemental declaration also account for each day during this time period, summarized as follows:

July 21: Polk Supplemental Declaration, ¶¶ 39-40; Exhibit 53.
July 22: Polk Supplemental Declaration, ¶¶ 39-40; Exhibit 54.
July 23: Polk Supplemental Declaration, ¶¶ 39-40; Exhibit 55.
July 24: Polk Supplemental Declaration, ¶¶ 39-40; Exhibit 56.
July 25: Polk Supplemental Declaration, ¶¶ 39-40; Exhibit 47.
July 26-27: Polk Supplemental Declaration, ¶ 39; Weekend.
July 28: Polk Supplemental Declaration, ¶ 41; Exhibit 57.
July 29: Polk Supplemental Declaration, ¶ 41; Exhibit 70.
July 30: Polk Supplemental Declaration, ¶ 41; Exhibit 58.
July 31: Polk Supplemental Declaration, ¶ 41; Exhibit 71.
August 1: Polk Supplemental Declaration, ¶ 41; Exhibit 59.
August 2-3: Polk Supplemental Declaration, ¶ 41; Weekend.
August 4: Polk Supplemental Declaration, ¶ 42; Exhibit 60.
August 5: Polk Supplemental Declaration, ¶ 42; Exhibit 64.

As shown in this summary, from July 21 until July 25, 1997, Mr. Polk was traveling for business, working in Milwaukee, Wisconsin attending meetings and preparing business proposals for child support payment processing for the state of Wisconsin. Polk Supplemental Declaration, ¶ 39; Exhibit 53. Additionally, despite business travel from July 21-25, Mr. Polk continued working on the invention and patent application during the week of July 21-25. For example, on July 21, 1997, he worked on tasks relating to the invention (see “invention” under task 5), to prepare an EDI write-up (see “EDI write-up” under task 7), and to prepare an EFT/EDI write-up (see “EFT/EDI write-up” under task 12). *Id.* at ¶ 40; Exhibit 53. Mr. Polk continued working on these

tasks each day that week until Friday, July 25, when he completed his travel, returning from Milwaukee, Wisconsin. Id. Furthermore, July 26-27, 1997 was a weekend.

After the weekend of July 26-27, Mr. Polk continued work on the invention on the next business day, i.e., July 28, 1997. On that day, he also worked on a presentation for a day-long meeting at the DFAS Garnishment Center in Crystal City, Virginia (see item 4), which he attended on July 29. Id.; Exhibit 70. After the day-long meeting in Crystal City, Virginia on July 29, and because the invention tasks were not yet completed, Mr. Polk continued working on them on July 30 (Polk Supplemental Declaration, Exhibit 58) and August 1 (Polk Supplemental Declaration, Exhibit 59). On July 31, Mr. Polk attended an all-day meeting in Washington, D.C. with Lockheed Martin Federal Systems. Id.; Exhibit 71. Despite his many other work commitments over the week of July 28 - August 1, 1997, including an all-day and out-of-the-office meetings on July 29 and July 31, Mr. Polk continued to work on invention-related tasks during this time. Id.; Exhibits 57-59. Furthermore, August 2-3, 1997 was a weekend.

After the weekend of August 2-3, 1997, Mr. Polk continued to work on tasks related to the invention on the next business day, or August 4, 1997. Polk Supplemental Declaration, ¶ 43; Exhibit 60. The next day, August 5, 1997, Mr. Polk began four days of travel for business purposes to four different cities. Id.; Exhibit 64.

Accordingly, as agreed with the Examiner during the September 8, 2005 interview, and as the other two reexamination conferees subsequently agreed, the Polk supplemental declaration and exhibits, together with evidence previously submitted, establish reasonable diligence during the time period of July 21 - August 5, 1997.

4. Question 6: August 9 - 13, 1997

Finally, the Final Office Action states that "there is a lack of affirmative acts or acceptable excuses [from] August 9, after Mr. Polk was in New York, through August 13 when Mr. Polk again addressed the invention." Final Office Action, p. 4. This is incorrect because Mr. Polk's initial declaration discussed this time period. Polk Declaration, ¶ 47. Furthermore, paragraphs 44-48 of the Polk supplemental declaration also account for each day during this time period, summarized as follows:

August 9-10: Polk Supplemental Declaration, ¶ 45; Weekend.

August 11: Polk Supplemental Declaration, ¶ 46; Exhibit 61.

August 12: Polk Supplemental Declaration, ¶ 47; Exhibit 72.

August 13: Polk Supplemental Declaration, ¶ 47; Exhibit 62.

As shown in this summary, on August 8, 1997, Mr. Polk attended a business meeting in Terrytown, New York during a four-day business trip working in four different cities, and August 9-10, 1997 was a weekend. Polk Supplemental Declaration, ¶ 45; Exhibit 64. On the next business day, August 11, 1997, Mr. Polk worked on tasks to review the invention and recorded this activity as action items in his day-timer, demonstrating that he was actively working on the invention at this time. Id., ¶ 46. Additionally, on August 12, 1997, Mr. Polk also worked on the invention by talking with Terry Garber, a colleague, regarding the formatted 521 record set, which was used by the accumulator/routing functions of the accumulator agency described in the patent application. Id. at ¶ 47; Exhibit 72. Mr. Polk continued working on the invention as well as the EFT/EDI write-up through August 13, 1997, when he completed reviewing the invention papers and crossed through the item on his action list. Id.; Exhibit 62.

Accordingly, as agreed with the Examiner during the September 8, 2005 interview, and as the other two reexamination conferees subsequently agreed, the Polk supplemental declaration and exhibits, together with evidence previously submitted, establish reasonable diligence during the time period of August 9 - 13, 1997.

D. Section 103 Arguments over Remington

In the Final Office Action, as noted above, the Office maintained the rejections of claims 1-48 under 35 U.S.C. § 103(a) over the Washington state reference in view of the Remington patent, specifically because the Office found the initial Polk declaration insufficient to remove the Remington patent as prior art. Final Office Action, p. 4.

Applicants maintain that claims 1-48 are not anticipated, nor rendered obvious, by the Remington patent alone or in combination with any other reference. However, the Examiner agreed during the September 8, 2005 interview, and as the other two conferees subsequently agreed, that the supplemental declaration and exhibits filed herewith, together with the evidence that was previously filed, remove the Remington patent as prior art to this patent. Therefore, the Examiner agreed that there is no need for the patent owner to submit any additional arguments regarding the section 103 rejections of claims 1-48 based on the Remington patent, alone or in combination.

If, however, the Office finds it necessary for any reason for the patent owner to submit additional arguments or amendments on this point, the patent owner requests that the Office so notify the patent owner and provide an opportunity to do so.

III. Conclusion

As stated in the Final Office Action, all of the section 102 rejections over the Washington state reference have been overcome by previously-filed amendments. Furthermore, as the Examiner agreed during the September 8, 2005 interview, and as the other two reexamination conferees subsequently agreed, the Polk supplemental declaration and the exhibits, together with evidence previously submitted, adequately address all of the section 103 rejections as well as all of the Office's questions and, therefore, establish that conception of the present invention occurred prior to October 18, 1996, and that reasonable diligence was exercised from a date prior to October 18, 1996 through the filing date of the application that matured into this patent. Therefore, under 37 C.F.R. § 1.131(b), the Remington patent is removed as prior art to this patent, and all of the section 103 rejections based on the Remington patent are overcome.

Because all of the rejections in the Final Office Action are overcome, the patent owner requests the entry of this paper and the timely issuance of a reissue certificate.


Please charge any required fees to our deposit account 06-0916.

Respectfully submitted,

FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.

Dated: September 29, 2005

By: _____



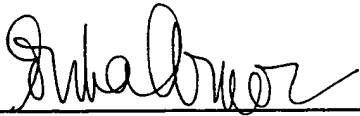
Lionel M. Lavenue
Reg. No. 46,859

PATENT
Customer No. 22,852
Attorney Docket No. 06556.0052
Reexamination Control No. 90/006,728

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of this **PATENT OWNER'S STATEMENT OF INTERVIEW AND RESPONSE TO FINAL OFFICE ACTION** in Reexamination Control No. 90/006,728 has been served by U.S. Mail in accordance with 37 C.F.R. § 1.248(a)(4) on this 29th day of September, 2005 on:

Curtis B. Herbert, Ph.D., Esq.
Patterson, Thunte, Skaar & Christensen, P.A.
80 South 8th Street
Suite 4800
Minneapolis, MN 55402.

By: 
Erika H. Arner
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.

DIARY AND WORK RECORD

21st Week
210th DayTUESDAY
JULY, 1997

29

REF	NAME OF PROJECT	DETAILS OF MEETINGS • AGREEMENTS • DECISIONS	TIME HRS. MIN.
1	DEAS Keely		
2			
3	TRICIA H. →		
4			
5	Ed H. Bray-		
6			
7	CHAS Keely 714 567 7602 →		
8	Holding pattern →		
9	Feeling Pughex is shuffling →		
10			
11	Karen Caruso needs consultant names		
12			
13	Mike Patane: → Need Pughex address		
14			
15	ELLEN Tom 602 252 4101		
16	H 922 9571		
17	Ed Roy →		
18	Bottomline		
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JR. DESK SIZE

TWO PAGE-PER-DAY REFERENCE

THURSDAY
JULY, 1997

APPOINTMENTS & SCHEDULED EVENTS

31		JULY 1997							155 Days Left						
		S	M	T	W	T	F	S	AUGUST 1997						
JUNE 1997									S	M	T	W	T	F	S
S	M	T	W	T	F	S									
1	2	3	4	5	6	7	6	7	8	9	10	11	12	1	2
8	9	10	11	12	13	14	13	14	15	16	17	18	19	15	16
15	16	17	18	19	20	21	20	21	22	23	24	25	26	22	23
22	23	24	25	26	27	28	27	28	29	30	31			29	30

TIME	NAME • PLACE • SUBJECT
7 0700	
8 0800	
9 0900	Harky - perf row
10 1000	Meeting w Lockheed Trgs Lockheed Martin Federal Systems
11 1100	
12 1200	
1 1300	
2 1400	
3 1500	
4 1600	
5 1700	
6 1800	
7 1900	
8 2000	
9 2100	
10 2200	

[illegible][illegible]

EXPENSE & REIMBURSEMENT RECORD

CDAY-TIMERS Inc ALLENTOWN, PA 19126-2531

PRINTED IN USA

DIARY AND WORK RECORD

21st Week
212th DayTHURSDAY
JULY, 1997

31

REF.	NAME OF PROJECT	DETAILS OF MEETINGS • AGREEMENTS • DECISIONS	TIME HRS. 1/10
1	CHRIS 3551		
2	Edith Campasano		
3			
4	Lockheed Martin	Fed Systems Meeting	
5			
6	Image Track	is comparable to Scan Ophus	
7	Southern Computing		
8			
9	Steve Sukup	→ item price?	
10	DeBillock	→ 534 4884	
11	Jean Ryan	→ Invoice?	
12	Matt Hayward	→ 3635 →	
13	Tricia Maddocks		
14	Lyn Dehney	508 697 2492	
15			
16	Needs help to know about Phil -		
17	James - question re - joint proposal		
18			
19	James Nette	617 434 4874	
20			
21	Tom Benedetto	- NCR call	
22			
23		Edith O. Bay	
24		16 Joyce Drive	
25		Plymouth MA 02360	
26		508 759 2906	
27			
28		Signature not	
29		Priority is Saturday delivery	
30			
31	Chris Leahy	→ Spoke w/ Tom Donaho	
32		→ 4.5-5.0 M. transactions	
33		→ List of contacts	
34			
35	X Kasper	Payment processing section	
36			
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JPL DESK SIZE

TWO PAGE-PER-DAY REFERENCE

REF.	NAME OR PROJECT	DETAILS OF MEETINGS • AGREEMENTS • DECISIONS	TIME HRS. 1/10
1	Tom Delippo		
2			
3	Mark Vase	Follow up on numbers provided earlier	
4		24K - 1000-1200 trans/hr	
5		Will use 4000 transactions in Automatics	
6		Median bats S400's	
7			
8		427 9594	
9	Terry Lynam	CIO Mag - wants an interview	
10			
11	Terry Garber	521 - Follow up	
12		540	
13		521 - Can also be used for remittance	
14		FTB will be using 521 - using developing	
15		implementation guide	
16		Canest the two??	
17			
18	Sean Ryan	Feedback on job - "Gory to Hawaii -	
19		didn't want to work on proposal	
20		Center Agency."	
21			
22	Eva Lewis	LMTC	
23			
24	DICK OAKLEY / South AMERIS	Mass?	
25			
26	Ed HL Bm	Mass?	
27			
28	Jack Mulvey	tomorrow will be the day	
29			
30	Janice Simmons		
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JPL DESK SIZE

TWO PAGE-PER-DAY REFERENCE

PATENT
Customer No. 22,852
Attorney Docket No. 06556.0052
Reexamination Control No. 90/006,728

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Reexamination of:)	
)	
U.S. Patent No. 5,946,669)	Group Art Unit: 3624
)	
Issue Date: August 31, 1999)	Examiner: Stefano Karmis
)	
Reexam Control No. 90/006,728)	Confirmation No. 3043
)	
Inventor: John D. POLK)	
)	
Reexam Filed: July 29, 2003)	
)	
For: Method and Apparatus for Payment)	
Processing Using Debit-Based)	
Electronic Funds Transfer and)	
Disbursement Processing Using)	
Addendum-Based Electronic Data)	
Interchange)	

Assistant Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

SUPPLEMENTAL DECLARATION OF JOHN POLK UNDER 37 C.F.R. § 1.131

1. I, John Polk, am the inventor of the subject matter described and claimed in the above-referenced patent, and I executed a Declaration to that effect on September 29, 1997.

2. It is my understanding that in a Final Office Action mailed on August 1, 2005, in the above-identified reexamination proceeding, the Patent Office applied U.S. Patent No. 6,070,150 ("the '150 patent"), in combination with at least one other reference, to reject the claims of the above-referenced patent for obviousness. To the best of my knowledge and belief, the '150 patent issued from U.S. Patent Application No. 08/734,518, filed on October 18, 1996, by Darren B. Remington and Warren T. Dent

for an "Electronic Bill Presentment and Payment System." The earliest effective filing date of the '150 patent is its filing date of October 18, 1996.

3. I executed a Declaration under 37 C.F.R. § 1.131 on July 6, 2005, including Exhibits 1-68, setting forth a conception of the claimed invention coupled with due diligence from a time just prior to October 18, 1996 to a constructive reduction to practice (namely, the filing of this patent application) on September 30, 1997.

4. It is my understanding that in the August 1, 2005 Final Office Action in the above-identified reexamination proceeding, the Patent Office contended that the Declaration I executed on July 6, 2005 was insufficient to remove the Remington patent as prior art to the above-referenced patent and that further information was necessary.

5. In particular, I understand that the Patent Office raised six issues or questions regarding conception and diligence from my July 6, 2005 Declaration, including two questions related to conception and four questions related to diligence.

6. The facts set out in the paragraphs below address each of the six questions raised by the Patent Office regarding my July 6, 2005 Declaration. Where I make reference to exhibits, I refer to exhibits 1-68 to my July 6, 2005 Declaration and to new exhibits 69-72, which are attached. These facts, when coupled with those set forth in my earlier Declaration, establish conception of the claimed invention coupled with diligence from a time just prior to October 18, 1996 (i.e., the earliest effective date of the '150 patent) until September 30, 1997 (i.e., the filing date of the patent application that resulted in the above-referenced patent).

Question 1

7. As for the first question on conception, I understand that the Patent Office contended that "there is no evidence to support the claim that one of ordinary skill in the art would know that Formatted 521 records allow for debit and credit transactions." As an initial matter, I disagree, because I believe that my declaration is evidence, and my declaration stated that Formatted 521 records allow for debit and credit transactions.

8. As *further* evidence to support this statement, I submit a publication of the Accredited Standards Committee (ASC) X12, an organization created in 1979 to create and promulgate standards for electronic data interchange (EDI). The Government

Subcommittee of the ASC, also known as ASC X12G, released a Draft Technical Report, version 3, dated March 1, 1990, which is attached as Exhibit 69.

9. The Draft Technical Report of the ASC X12G "contains the format and establishes the data content of the Income or Asset Offset Transaction Set (521) for use within the context of and [sic, an] Electronic Data Interchange (EDI) environment." See Exhibit 69, p. 1. The "Income or Asset Offset Transaction Set (521) for use within the context of and [sic, an] Electronic Data Interchange (EDI) environment" in the Draft Technical Report of the ASC X12G is what I refer to as "Formatted 521 records."

10. The Draft Technical Report of the ASC X12G also contains a description of the format and symbols for Formatted 521 records. Id. at 1 and 3 & 4. In particular, the Draft Technical Report provides that Formatted 521 records include set tables and loops, including detailed descriptions of each segment in the set tables. Id.

11. For example, on page 3 of the Draft Technical Report of the ASC X12G, the Formatted 521 record (or 521 transaction set) is described as including a segment called "BPR - Beginning Segment for Payment Order/Remittance Advice." See Exhibit 69, p. 3. The BPR segment is described as including a data element called "BPR03," which is a "Credit/Debit Flag Code," i.e., a "[c]ode indicating whether the amount is a debit or credit." See Exhibit 69, p. 6. Thus, this code shows that the Formatted 521 records clearly indicate that debit and credit transactions may be used by this format. Accordingly, this draft technical report clearly demonstrates that one of ordinary skill in the art would know that Formatted 521 records allow for debit and credit transactions.

12. Accordingly, at least for the reasons stated above, the Draft Technical Report of the ASC X12G, published March 1, 1990, clearly demonstrates that Formatted 521 records allow for debit and credit transactions, providing additional support for the statement in my previous declaration that one of ordinary skill in the art would know that Formatted 521 records allow for debit and credit transactions.

Question 2

13. As for the second question on conception, I understand that the Patent Office contended that "there is no support in Exhibit 2 that the accumulator agency transmits the disbursement to the state," referring to my July 6, 2005 Declaration.

Further, I understand that the Patent Office alleged that Exhibit 2 “appears to teach that information only flows from the state to the accumulator agency, and not vice-versa.”

As an initial matter, I disagree, because I believe that my declaration provides support that the accumulator agency transmits the disbursement to the state in Exhibit 2.

14. As *further* support that the accumulator agency transmits the disbursement to the state, I also direct the attention of the Patent Office to several points in my previous Declaration, namely: “[B]ased on Exhibits 1 and 2, I believe that one of ordinary skill in this field would understand Exhibits 1 and 2 to disclose at least the following features: (1) initiating by an accumulator agency a payment through a bank as a debit transaction and/or (2) transmitting by the accumulator agency the disbursement to a state as a first addendum transaction.” J. Polk July 6, 2005 Declaration, § 20. In the Office Action, the Patent Office disputes whether “there is ... support in Exhibit 2 that the accumulator agency transmits the disbursement to the state.” However, the Patent Office appears to ignore Exhibit 1.

15. For example, I provided the following explanation in my previous Declaration:

Exhibits 1 and 2 also describe transmitting by the accumulator agency the disbursement to a state as a first addendum transaction. As described above, the accumulator agency processes the disbursement information from the employer with the designated state (e.g., “the state” described in claims 1-48). As shown in Exhibit 1, the problem of multiple withholding orders from states involved “[s]tates send[ing] multiple wage withholding orders (garnishments) to employers that require the employer to adapt to the particular state(s) . . . [with] a paper-based process.” Thus, Exhibit 1 clearly depicts the transmission of wage assignments from employers to a designated state (i.e., the “state child support agency” depicted in Exhibit 1, and e.g., “the state” described in claims 1-70). As shown in Exhibit 2, the solution offered by the accumulator agency was to separate the wage assignment orders into two parts, the record (e.g., “the disbursement information” of claims 1-70) and the electronic payment (e.g., the “payment” of claims 1-70). As described in more detail above, the accumulator agency then “routes . . . electronic payment transactions” (i.e., processes payments to a bank). In this closed loop operation, the accumulator also processes the disbursement information with the

state designated in the wage assignment order. Thus, on review of Exhibits 1 and 2, one of ordinary skill in the art would readily understand both of these processes performed by the accumulator agency, specifically including transmitting by the accumulator agency the disbursement to a state as a first addendum transaction.

Id. at ¶ 19.¹ Strangely, despite this explanation, the Patent Office does not contend there is no support in Exhibits 1 and 2 that the accumulator agency transmits the disbursement to the state but, instead, contends that "there is no support in Exhibit 2 that the accumulator agency transmits the disbursement to the state." In my opinion, the Patent Office incorrectly ignores Exhibit 1 in its analysis of the conception of my claimed invention. Exhibit 1 and Exhibit 2 must be read together because they both contain the conception of my invention.

16. As stated in my previous declaration, I prepared Exhibits 1 and 2 at a hotel in Virginia where I was attending a conference on a date prior to October 18, 1996. As I have explained, I prepared both Exhibits 1 and 2 to depict aspects of my invention of an accumulator agency for electronically processing wage assignments with states for employers. Taken together, Exhibits 1 and 2 clearly show that information flows between the accumulator agency and states, as one skilled in the art would recognize. In the most basic terms, Exhibit 1 defines a problem, and Exhibit 2 defines the solution.

17. Exhibit 1, which is labeled as "The Problem Defined", describes a problem that I identified by using two graphics: the first graphic shows how many states have many withholding orders that need to be delivered to a single employer (a concept I have named "many-to-one"), and the second graphic shows how employers have to process withholding orders with many states (a concept I have named "one-to-many"). Thus, I recognized a need for a solution of this many-to-one/one-to-many dilemma. This need is explained in the text on Exhibit 1 as "[s]tates send multiple wage withholding orders (garnishments) to employers" (i.e., many-to-one) and as "employer wants to

¹ In paragraphs 15 and 19 of that Declaration, through clerical or typographical error, I referred to the patent claims as "claims 1-70," although I recognize that the patent claims are in fact claims 1-48. These minor errors in my July 6, 2005 Declaration do not change the substance of any of the statements that I made.

remit child support payments in one form to all states" (i.e., one-to-many). See Exhibit 1.

18. Exhibit 2 shows my solution to the problem of Exhibit 1. Notably, although Exhibit 2 only contains a single graphic, both the many-to-one concept and the one-to-many concept are described. Exhibit 2 specifically illustrates the many-to-one concept, showing many states sending withholding orders to the accumulator router function (i.e., the accumulator agency) and then processing those orders to each employer. Moreover, the text at the bottom of the chart specifically refers to the many-to-one concept: "[t]he accumulator router function permits ... [it] to receive wage withholding orders and route the records to designated employers." Exhibit 2 does not, however, specifically illustrate the one-to-many concept. But, the text at the bottom of the chart does, referring to "the receipt and routing of electronic payment transactions from employers." See Exhibit 2 (emphasis added). This quotation specifically refers to the one-to-many concept. That is, the accumulator/router function (i.e., the accumulator agency) receives the "electronic payment transactions" and then "routes" the "electronic payment transactions." Thus, as in Exhibit 1, these "electronic payment transactions" are received from the employers and then routed to the various states (i.e., the various state child support agencies) by the accumulator/router function (i.e., the accumulator agency). Thus, the "problem" in Exhibit 1, where the many-to-one and one-to-many concepts are depicted, is solved by the solution of Exhibit 2. And, just as Exhibit 1 shows that payments made by employers to states (i.e., employer payments shown being made to state child support agencies), Exhibit 2 depicts the same functions for the "electronic payment transactions," except Exhibit 2 shows these functions being performed by the accumulator/router function (i.e., the accumulator agency).

19. Thus, when Exhibits 1 and 2 are taken together, they clearly show that the accumulator agency solves the problem of the many-to-one/one-to-many dilemma, including transmitting disbursement information to a state.

20. Nonetheless, the Patent Office also incorrectly contends: "[Exhibit 2] appears to teach that information only flows from the state to the accumulator agency,

and not vice-versa." But, Exhibit 1 shows a data flow to the state, and Exhibit 1 and Exhibit 2 must be read together, as they both contain the conception of my invention.

21. Furthermore, Exhibit 2 clearly states that the accumulator/router function (i.e., the accumulator agency) "receives" the "electronic payment transactions" and then "routes" the electronic payment transactions "from employers." These electronic payment transactions are routed by the accumulator agency from the employers to the states via a bank. And, as explained above, a proper reading of *both* Exhibit 1 and Exhibit 2 together clearly demonstrates this fact.

22. To illustrate, I stated in my previous Declaration: "[T]he accumulator agency processes the disbursement information from the employer to the designated state (e.g., "the state" described in claims 1-48), and the accumulator agency also processes the payment information from the employer to a bank via 'Formatted 521 Records.'" J. Polk July 6, 2005 Declaration, § 19. It seems that the Patent Office does not understand what was meant by "processing payment information from the employer to a bank via 'Formatted 521 Records.'" To me, this means that the payment information is processed by the accumulator agency from the employer to a bank for a state via Formatted 521 records, but apparently, this fact was not sufficiently clear in my initial declaration. Accordingly, I provide a more detailed explanation here.

23. For example, I gave the following explanation in my previous Declaration:

Further, the textual description at the bottom of Exhibit 2 also explains that "[t]he combination of functions create a 'closed loop' operation." This combination of functions by the accumulator agency refers to the preceding sentence of the textual description of Exhibit 2: "the accumulator/router function permits the receipt and routing of electronic payment transactions from employers . . . [via] Formatted 521 Records." In order for the accumulator agency depicted in Exhibit 2 to "route" electronic payments (e.g., to process payment information) in this "closed loop operation," the payments must be sent to a bank. One of ordinary skill in the art would readily understand this.

Id. at ¶ 18. Apparently, from this paragraph, the Patent Office did not understand, but these "electronic payment transactions" are sent to a bank for the state. Again, a proper reading of *both* Exhibit 1 and Exhibit 2 together clearly demonstrates this fact, because

both exhibits show that a purpose of the invention is not only the many-to-one concept (i.e., many states to one employer) but also the one-to-many concept (i.e., many employers to one state). Therefore, to accomplish the one-to-many concept, the payment information is processed by the accumulator/router function (i.e., the accumulator agency) via a bank to the states. As specifically recited on Exhibit 2, this functionality is accomplished with Formatted 521 records, whereas a Formatted 521 record is part of the "electronic payment transaction" that is accomplished via a bank.

24. To further illustrate, Exhibit 1 depicts and describes employers that "remit child support payments in one form to all states." See Exhibit 1. Exhibit 2 similarly depicts and describes "electronic payment transactions" routed by the accumulator/router function (i.e., the accumulator agency) to create a closed loop operation, and Exhibit 2 specifies use of Formatted 521 records. In order for the function shown in Exhibit 2 to be a closed loop operation, it must also remit the payments to all states (i.e., "electronic payment transactions"). Accordingly, because Formatted 521 records are used to process the payments, Exhibit 2 simply refers to routing "electronic payment transactions" with Formatted 521 records. By doing so, the accumulator/router function also utilizes these Formatted 521 records to send the disbursement information with the payments via a bank to the states.

25. To further explain, I stated the following in my previous declaration:

As shown in Exhibit 2, the solution offered by the accumulator agency was to separate the wage assignment orders into two parts, the record (e.g., "the disbursement information" of claims 1-70) and the electronic payment (e.g., the "payment" of claims 1-70). As described in more detail above, the accumulator agency then "routes . . . electronic payment transactions" (i.e., processes payments to a bank). In this closed loop operation, the accumulator also processes the disbursement information with the state designated in the wage assignment order.

J. Polk July 6, 2005 Declaration, § 15.² Thus, as shown in Exhibit 2, Formatted 521 records are used so that the "electronic payment transaction" includes both the payment and the disbursement information. Thus, when processed to a bank for a state by the accumulator agency, the payment allows the transfer of funds, and the disbursement information provides the data on the funds transfer to the state.

26. The Draft Technical Report of the ASC X12G illustrates this type of use of Formatted 521 records. For example, on page 33 of the Draft Technical Report of the ASC X12G, Example #4 of a Formatted 521 record (or 521 transaction set) is described. This example shows "a response with payment." Thus, in addition to the transfer of funds that results from the "payment," there is also a "response" that includes all of the "EDI DATA" information, such as, for example, "N1~04~MOMS DINER~49~31234567" or "Sent from Mom's Diner; Employer's ID is 31234567" and "N3~111 ANY STREET" or "Employer's address" as well as other information. See Exhibit 69, p. 33. This "EDI DATA" contains the disbursement information that accompanies the payment. And, this EDI DATA moves with the payment via a bank to a recipient, e.g., to the state.

27. For the reasons stated above, therefore, I disagree with the Patent Office that "there is no support in Exhibit 2 that the accumulator agency transmits the disbursement to the state," and I further disagree with the Patent Office that "[Exhibit 2] appears to teach that information only flows from the state to the accumulator agency, and not vice-versa." As noted above, a proper reading of *both* Exhibit 1 and Exhibit 2 together clearly shows that the accumulator agency transmits the disbursement to the state, because that is part of the solution of Exhibit 2 to the problem defined in Exhibit 1 (and it is undisputed that Exhibit 1 shows remitting child support payments to many states). Furthermore, because Exhibit 2 refers to a closed loop operation and the use of the Formatted 521 records for routing "electronic payment transactions," Exhibit 2

² As stated above, I recognize that the patent claims are in fact claims 1-48. The minor errors in my Declaration do not change the substance of any of the statements that I made.

does indeed teach that information flows from the accumulator agency to the state, specifically disbursement information about a payment from an employer.

Question 3

28. As for the first question on diligence (or question 3), I understand that the Patent Office has contended "there is no statement regarding time periods from June 27 when Mr. Lavenue left a message to discuss the invention with Mr. Polk and July 1 when Mr. Polk began travel for other work obligations." I disagree with this contention, because my declaration specifically described the time period from June 27 to July 1.

29. The Patent Office correctly states that Mr. Lavenue left a message for me on Friday, June 27, 1997. See Exhibit 39. However, the Patent Office suggests that there was an unaccounted period from June 27 to July 1, but that is incorrect. As an initial matter, it should be noted that June 28-29 was a weekend. The following business day, or June 30, 1997, I made a notation of Mr. Lavenue's call in my day-timer, and I recorded "review patent information" in my action list, where it is listed as task 12. See Exhibit 43. From the notations in my day-timer, it appears that Mr. Lavenue called me and asked me to review certain patent information. Subsequently, as can be seen from my day-timer page for June 30, 1997, I had thirteen items on my action list at that time, and I completed five tasks that had come to me prior to the task of reviewing the patent information (i.e., see tasks 1, 4, 6, 7, and 9, which were completed on June 30, 1997). Id. Moreover, my day-timer demonstrates that I was working on reviewing the patent information from Mr. Lavenue on June 30, at least because I recorded the item as an action item in my day-timer. This demonstrates, therefore, that I was actively working on the matter on June 30. However, I did not complete the task of reviewing the patent information (i.e., task 12) on June 30, and I carried it forward to the next day, July 1, 1997, where it is listed as task 8. See Exhibit 44. As shown in my day-timer, I was only in my office for half a day on July 1, before an afternoon flight to Phoenix for other business, as noted on my appointment calendar. Id. As can be seen from my day-timer page for July 1, 1997, I had ten items on my action list at that time including 7 items (i.e., tasks 1-7) that had come to me prior to the task of reviewing the patent information. Before leaving for my afternoon flight, I

completed six phone calls that had come in before Mr. Lavenue's call, as shown on my day-timer page (i.e., items 1-6 on the phone calls list). Id. Moreover, my day-timer demonstrates that I was working on reviewing the patent information from Mr. Lavenue on July 1, at least because I recorded the item as an action item in my day-timer. This demonstrates, therefore, that I was actively working on the matter on July 1.

30. Thus, there is diligence from June 27, 1997 through July 1, 1997.

Question 4

31. As for the second question on diligence (or question 4), I understand that the Patent Office has contended that "there is inactivity after Mr. Polk returned from travel and after the July 4 holiday weekend: Mr. Polk recorded on July 8 to return the call from June 27 as a 'to-be-done-today' task, however the call was not returned until July 14, with unexplained inactivity between." I disagree with this contention, because my declaration specifically described the time period from July 8 to July 14.

32. The Patent Office correctly states that, on July 8, I recorded review "patent information" in my action list, where it is listed as task 10 in my day-timer. See Exhibit 48. Indeed, as can be seen from my list of action items on my day-timer page for July 8, 1997, I had twenty-one items on my action list at that time, and I completed one task that had come to me prior to the task of reviewing the patent information (i.e., see task 5, which was completed on June 8, 1997) and I completed one other task that same day (i.e., see task 14, which was also completed on July 8, 1997). Id. Moreover, my day-timer demonstrates that I was working on reviewing the patent information from Mr. Lavenue on July 8, at least because I recorded the item as an action item in my day-timer. This demonstrates, therefore, that I was actively working on the matter on July 8.

33. Significantly, on July 8, 1997, I also recognize that I specifically worked on the invention (and thus on issues relating to developing information for the patent application). As shown on my day-timer for July 8, I had a meeting with Ann Bullen, a colleague who was working with me on developing the Formatted 521 record set, which was used by the accumulator/routing functions of my accumulator agency, which was later specifically described in my patent application. See Exhibits 47-48. Having reviewed these notations, I can also surmise that I had likely withheld providing final

comments on the patent information from Mr. Lavenue, until I had this meeting. Thus, this also demonstrates that I was actively working on the matter on July 8.

34. Following these invention activities on July 8, as shown in my day-timer, I was then on vacation from July 9-11, 1997, and July 12-13, 1997 was a weekend. As shown on my day-timer, on July 9, 1997, I picked up my mother at the airport when she arrived for a visit (on American Airlines, Flight No. 243), and I then took a vacation while my mother visited on July 9, 10, and 11. See Exhibit 47. During that 3-day vacation, which I distinctly remember, I took my mother to visit Gettysburg. Id. (Although my day-timer appears to state "Gaithersburg," we visited "Gettysburg.")

35. On the next business day, July 14, 1997, I complete my task of reviewing the patent information, as evidenced by the crossed through item 9 on my to-be-done-today list. See Exhibit 49. Furthermore, I returned Mr. Lavenue's telephone call on the same day, as shown by the crossed through listing on my phone calls list. Id.

36. I had twenty-two items on my action list at that time, and I completed all but one (i.e., see tasks 1-9 and 10-22, which were completed on July 14, 1997). Id. Among those tasks that I completed on July 14, 1997, I prepared a summary of the meeting with Ann Bullen regarding the Formatted 521 record set (see "write up EDI meeting" under task 19), and I also completed the review of the patent information (see "invention" under task 9). Having reviewed these notations, I can also surmise that I completed task 19 and task 9 together, following the technical meeting on July 8, 1997. Moreover, on July 14, 1997, I also returned the phone call from Mr. Lavenue (see the check beside Mr. Lavenue's name under "Phone Calls" in my day-timer). I surmise that I called Mr. Lavenue to provide him with the information I had completed on that day. Accordingly, my day-timer demonstrates that I was working on reviewing the patent information on July 14, because I recorded the item as an action item and because I completed certain tasks related to the invention and called Mr. Lavenue. All of this demonstrates, therefore, that I was actively working on the matter on July 14.

37. Thus, there is diligence from July 8, 1997 through July 14, 1997.

Question 5

38. As for the third question on diligence (or question 5), I understand that the Patent Office has contended that "there is lack of affirmative acts or acceptable excuses between July 21 and August 5." I disagree with this contention, because my declaration specifically described the time period from July 21 to August 5, and there are sufficient "affirmative acts or acceptable excuses" to demonstrate diligence in that period. Furthermore, I have provided additional evidence to support diligence during this period.

39. As can be seen from my day-timer, I was on business travel from July 21 until July 25, 1997. See Exhibit 47. During that time, I was working in Milwaukee attending meetings and preparing business proposals for child support payment processing for the state of Wisconsin. Furthermore, July 26-27, 1997 was a weekend.

40. In addition, although I was on business travel from July 21-25, 1997, I was nonetheless also working on the invention and patent application during that week. Specifically, on July 21, 1997, I worked on tasks to review the invention (see "invention" under task 5), to prepare an EDI write-up (see "EDI write-up" under task 7), and to prepare an EFT/EDI write-up (see "EFT/EDI write-up" under task 12). See Exhibit 53. Work on the invention, the EDI write-up, and the EFT/EDI write-up were related. Because these tasks were not yet completed, I carried all of them forward to July 22 (see Exhibit 54), July 23 (see Exhibit 55), and July 24 (see Exhibit 56). Although I worked diligently on my tasks related to the invention, I also had a number of conference calls and meetings during my week working in Milwaukee. See Exhibits 54 and 56. On Friday, July 25, I completed my travel from Milwaukee. See Exhibit 47. Significantly, although I was on travel during July 14-25, my day-timers clearly demonstrate that I was working on reviewing the invention information at least on July 21-24, at least because I recorded the item as an action items in my day-timer. This demonstrates that I was actively working on the invention on July 21-24, and my travel on July 25 and weekend of July 26-27 are affirmative acts or acceptable excuses.

41. Following my activities during the period of July 21-27, 1997, I continued to work on tasks related to the invention on the next business day, or July 28, 1997. Specifically, on July 28, 1997, I worked on tasks to review the invention (see "invention" under task 5), to prepare an EDI write-up (see "EDI write-up" under task 6), and to

prepare an EFT/EDI write-up (see "EFT/EDI write-up for Holli" under task 13). See Exhibit 57. Work on the invention, the EDI write-up, and the EFT/EDI write-up were related. Also on July 28, I worked on a presentation for a meeting at the DFAS Garnishment Center in Crystal City, Virginia (see item 4). On July 29, I attended the day-long DFAS meeting and gave my presentation (see Exhibit 70). After the day-long meeting on July 29, and because the invention tasks were not yet completed, I carried all of them forward to July 30 (see Exhibit 58) and August 1 (see Exhibit 59). On July 31, I attended an all-day meeting in Washington, D.C. with Lockheed Martin Federal Systems. Despite my other work commitments over this week, including an all-day and out-of-the-office meetings on July 29 and July 31, I continued to work on my invention-related tasks during this time, and as I worked on these tasks, the invention action item moved up my action list from item 5 on July 28, 1997 (see Exhibit 57) to item 4 on July 30, 1997 (see Exhibit 58) to item 3 on August 1, 1997 (see Exhibit 59). I also continued working on the related EFT/EDI write-up over these dates. See Exhibits 57-59.

Therefore, my day-timers for July 28, July 30, and August 1, 1997 demonstrate that I was working on reviewing the invention and patent information on those dates, at least because I recorded the item as action items in my day-timers. Furthermore, August 2-3, 1997 was a weekend. Therefore, this demonstrates that I was actively working on the invention on July 28 to August 1, and the weekend of August 2-3 is an affirmative act or acceptable excuse.

42. Following my activities during the period of July 28 to August 3, 1997, I continued to work on tasks related to the invention on the next business day, or August 4, 1997. Specifically, on Monday, August 4, I worked on tasks to review the invention (see "invention-patent" under task 2) and to prepare an EFT/EDI write-up (see "EFT/EDI write-up" under task 3). See Exhibit 60. Work on the invention and on the EFT/EDI write-up were related. Therefore, my day-timer for August 4, 1997 clearly demonstrates that I was working on reviewing the invention and patent information on August 4, 1997, at least because I recorded the item as an action item in my day-timer. This demonstrates that I was actively working on the invention on August 4, 1997. The next

day, August 5, 1997, I began four days of travel to four different cities. See Exhibit 64. And, this travel on August 5, 1997 constitutes an affirmative act or acceptable excuse.

43. Thus, there is diligence from July 21, 1997 to August 5, 1997.

Question 6

44. As for the fourth question on diligence (or question 6), I understand that the Patent Office has contended that "there is a lack of affirmative acts or acceptable excuses [from] August 9, after Mr. Polk was in New York, through August 13 when Mr. Polk again addressed the invention." I disagree with this contention, because my declaration specifically described the time period from August 9-13 and there are "affirmative acts or acceptable excuses" to demonstrate diligence in that period. Furthermore, I have provided additional evidence to support diligence during this period.

45. As can be seen from my day-timer, I was on business travel on Friday, August 8, 1997. See Exhibit 64. On August 8, 1997, I attended a business meeting in Terrytown, New York during a four-day business trip working in four different cities, following a meeting in Albany, New York on August 7, 1997, a meeting in Hartford, Connecticut, on August 6, 1997, and a meeting in Minnesota on August 5, 1997. Following my meetings on August 6-8, 1997, August 9-10, 1997 was a weekend.

46. Following this period from August 5-10, 1997, I continued to work on tasks related to the invention on the next business day, or August 11, 1997. Specifically, on August 11, 1997, I worked on tasks to review the invention (see "invention" under task 6) and to prepare an EFT/EDI write-up (see "EFT/EDI write-up" under task 7). See Exhibit 61. Work on the invention and on the EFT/EDI write-up were related. Thus, my day-timer for August 11 clearly demonstrates that I was working on reviewing the invention information, at least because I recorded the item as an action item in my day-timer. This demonstrates that I was actively working on the invention at this time.

47. On August 12, 1997, I also worked on the invention. See Exhibit 72. In particular, I spoke with Terry Garber, a colleague, regarding the formatted 521 record set, which was used by the accumulator/routing functions of my accumulator agency, which was later specifically claimed and described in my patent application. For example, during my work on the invention on August 12, 1997, I specifically noted in my

day-timer that "521 can also be used for remittance." Id. Further, I continued working on the invention and the EFT/EDI write-up on August 13, 1997, when I completed reviewing the invention papers and crossed through the item on my action list. See Exhibit 62. Thus, my day-timer for August 13, 1997 clearly demonstrates that I was working on reviewing the invention and patent information on August 13, 1997 at least because I recorded the item as an action item in my day-timer and crossed through it when completed. Accordingly, with my day-timers, I have shown either affirmative acts or acceptable excuses to demonstrate diligence for the entire time period from August 9, 1997 through August 13, 1997.

48. Thus, there is diligence from August 9, 1997 to August 13, 1997.

Conclusion

49. In summary, based on my July 6, 2005 Declaration and the additional information contained in this supplemental declaration, I believe that I have amply demonstrated a conception of the claimed invention coupled with due diligence from a time just prior to the filing date of the '150 patent to the time of a constructive reduction to practice, namely, the filing of this patent application on September 30, 1997.

50. I declare further that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further, that the statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application or any patents issuing thereon.

Dated: September 20, 2005

By: 



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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/006,728	07/29/2003	5946669	3250.010001	3043

7590 03/23/2006
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EXAMINER

ART UNIT PAPER NUMBER

DATE MAILED: 03/23/2006

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EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. 90/006,728.

PATENT NO. 5946669.

ART UNIT 3624.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified *ex parte* reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the *ex parte* reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

Office Action in Ex Parte ReexaminationControl No.
90/006,728Patent Under Reexamination
5946669Examiner
Stefano KarmisArt Unit
3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

- a ☒ Responsive to the communication(s) filed on 29 September 2005. b ☐ This action is made FINAL.
c ☐ A statement under 37 CFR 1.530 has not been received from the patent owner.

A shortened statutory period for response to this action is set to expire 2 month(s) from the mailing date of this letter. Failure to respond within the period for response will result in termination of the proceeding and issuance of an *ex parte* reexamination certificate in accordance with this action. 37 CFR 1.550(d). **EXTENSIONS OF TIME ARE GOVERNED BY 37 CFR 1.550(c).** If the period for response specified above is less than thirty (30) days, a response within the statutory minimum of thirty (30) days will be considered timely.

Part I THE FOLLOWING ATTACHMENT(S) ARE PART OF THIS ACTION:

1. ☐ Notice of References Cited by Examiner, PTO-892. 3. ☒ Interview Summary, PTO-474.
2. ☐ Information Disclosure Statement, PTO-1449. 4. ☐ _____.

Part II SUMMARY OF ACTION

- 1a. ☒ Claims 1-48 are subject to reexamination.
1b. ☐ Claims _____ are not subject to reexamination.
2. ☐ Claims _____ have been canceled in the present reexamination proceeding.
3. ☒ Claims 1-17 are patentable and/or confirmed.
4. ☒ Claims 19-48 are rejected.
5. ☐ Claims _____ are objected to.
6. ☐ The drawings, filed on _____ are acceptable.
7. ☐ The proposed drawing correction, filed on _____ has been (7a) ☐ approved (7b) ☐ disapproved.
8. ☐ Acknowledgment is made of the priority claim under 35 U.S.C. § 119(a)-(d) or (f).
 a) ☐ All b) ☐ Some* c) ☐ None of the certified copies have
 1 ☐ been received.
 2 ☐ not been received.
 3 ☐ been filed in Application No. _____.
 4 ☐ been filed in reexamination Control No. _____.
 5 ☐ been received by the International Bureau in PCT application No. _____.
 * See the attached detailed Office action for a list of the certified copies not received.
9. ☐ Since the proceeding appears to be in condition for issuance of an *ex parte* reexamination certificate except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte* Quayle, 1935 C.D. 11, 453 O.G. 213.
10. ☐ Other: _____

cc: Requester (if third party requester)

Art Unit: 3624

DETAILED ACTION

1. The following communication is in response to Patent owner's amendment, filed 29 September 2005.

Status of Claims

2. Claims 1, 8, 10, 17, 19, 21, 32, 33, 34, 36, 47 and 48 were previously amended 11 July 2005. Claims 1-48 are pending.

Response to Amendment

3. Patent Owner's request for reconsideration of the finality of the rejection of the last Office action is persuasive and, therefore, the finality of that action is withdrawn. Patent Owner filed an amendment, 11 July 2005 in response to a non-final rejection. Examiner mailed a final rejection, 01 August 2005 to which Patent Owner filed a timely response 29 September 2005. The final rejection failed to set forth an issue from the 11 July 2005 amendment. This issue raised by the Patent and Trademark Office is being presented in the current office action and is considered a new issue. Consequently, the finality of the previous office action is withdrawn.

Claim Rejections - 35 USC § 305

4. Claim 19 and 34 are rejected under 35 U.S.C. 305 as enlarging the scope of the claim(s) of the patent being reexamined. In 35 U.S.C. 305, it is stated that "[n]o proposed amended or new claim enlarging the scope of a claim of the patent will be permitted in a reexamination

Art Unit: 3624

proceeding... ." A claim presented in a reexamination "enlarges the scope" of the patent claim(s) where the claim is broader than any claim of the patent. A claim is broader in scope than the original claims if it contains within its scope any conceivable product or process which would not have infringed the original patent. A claim is broadened if it is broader in any one respect, even though it may be narrower in other respects.

The amendment filed 11 July 2005 proposes amendments to claims 19 and 34 that do not comply with 37 CFR 1.530(d)-(j), which sets forth the manner of making amendments in reexamination proceedings. Specifically, claims 19 and claims 34 fail to comply with 37 CFR 1.530(j) because no amendment may enlarge the scope of the claims of the patent or introduce new matter. Regarding claims 19 and 34, the amendment filed 11 July 2005 broadens the scope of the claims because it no longer withholds by an employer a portion of an employee's salary for the payment. Claims 20-33 and 35-48 are dependent upon claims 19 or 34 and are therefore rejected based upon their dependency. Claims 1-18 are patentable and/or confirmed.

Conclusion

5. Extensions of time under 37 CFR 1.136(a) will not be permitted in these proceedings because the provisions of 37 CFR 1.136 apply only to "an applicant" and not to parties in a reexamination proceeding. Additionally, 35 U.S.C. 305 requires that reexamination proceedings "will be conducted with special dispatch" (37 CFR 1.550(a)). Extension of time in *ex parte* reexamination proceedings are provided for in 37 CFR 1.550(c).

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6. The patent owner is reminded of the continuing responsibility under 37 CFR 1.565(a) to apprise the Office of any litigation activity, or other prior or concurrent proceeding, involving Patent No. 5,946,669 throughout the course of this reexamination proceeding. The third party requester is also reminded of the ability to similarly appraise the Office of any such activity or proceeding throughout the course of this reexamination proceeding. See MPEP §§ 2207, 2282 and 2286.

7. In order to ensure full consideration of any amendments, affidavits or declarations, or other documents as evidence of patentability, such documents must be submitted in response to this Office action. Submissions after the next Office action, which is intended to be a final action, will be governed by the requirements of 37 CFR 1.116, after final rejection and 37 CFR 41.33 after appeal, which will be strictly enforced.

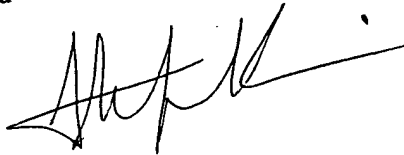
8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Stefano Karmis whose telephone number is (571) 272-6744. The examiner can normally be reached on M-F: 8-5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (571) 272-6747. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Respectfully Submitted
Stefano Karmis
Art Unit 3624
14 March 2006



Conferee
Vincent Millin
Supervisory Examiner
Art Unit 3624



VINCENT MILLIN
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3624

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